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I&T 100 YEARS OF LEADERSHIP

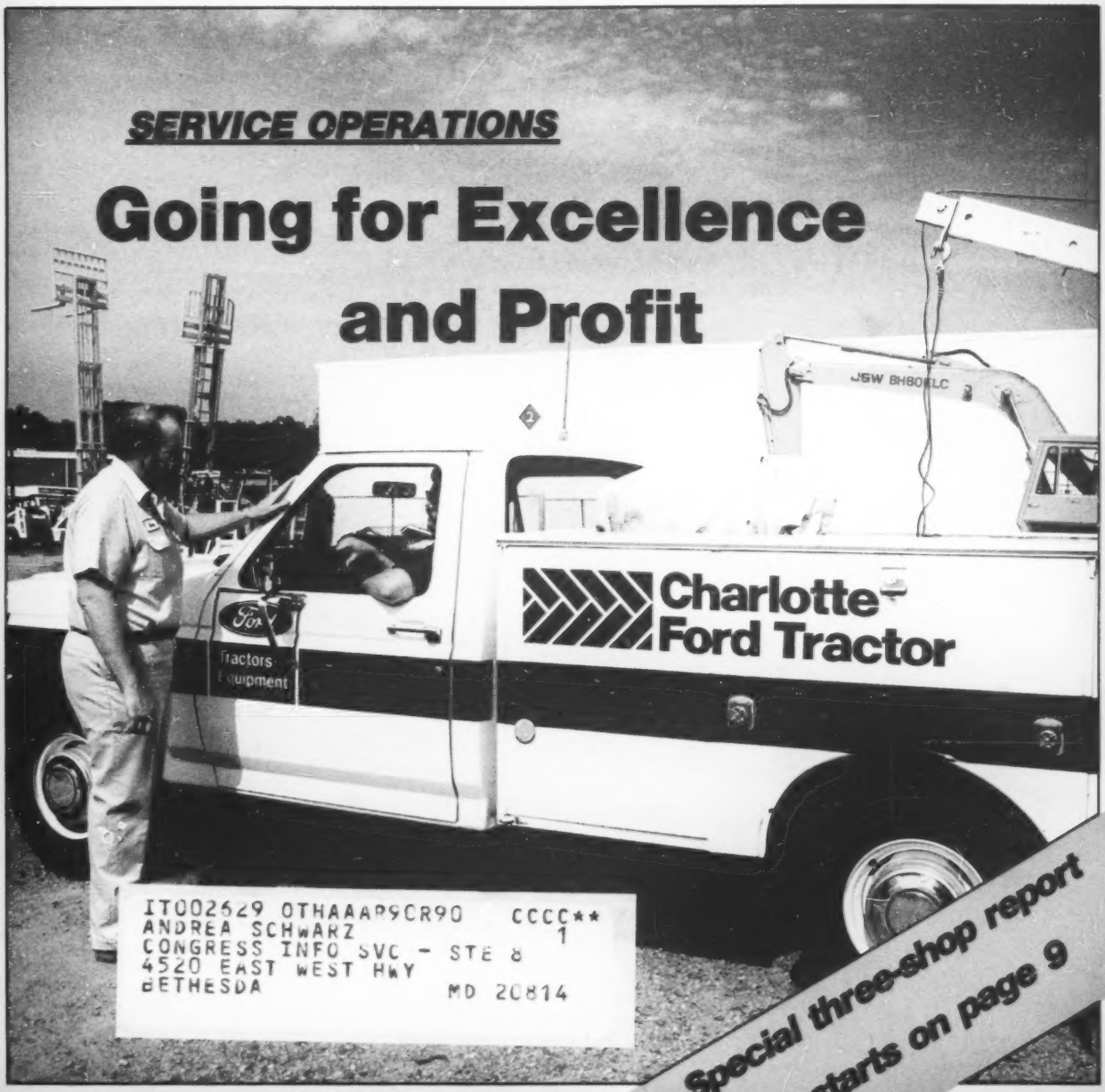
Implement & Tractor

The business magazine of the farm and industrial equipment industry

September 1987

Boom-Mounted Reach Mowers

page 20



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Special three-shop report starts on page 9

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Our Cover Story

At Charlotte Ford Tractor, service manager Tommy Crowell talks over an upcoming field call with one of the dealership's well-trained technicians.

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Features

9: **The beginning point** for a profitable shop is a sound service philosophy. The margin for error has narrowed in recent years, says dealer Lee Rogness.

15: **This high volume** operation in the Dakotas has built service into a highly profitable enterprise.

18: **Nebraska Tractor Tests** have been an American standard since 1919. What's happening to that status now?

20: **Reach mowers** are hot items in the U.S. as government agencies and other off-road markets have realized the versatility of the boom-type mowers.

27: **Farmer Ernest Chesney** was a Deere dealer in the past. He has some advice for both farmers and dealers that could make business more profitable for both.

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IMPLEMENT & TRACTOR (USPS 461-750, ISSN-0019-2953) is published monthly, except in March and October, when two issues are published by Farm Press Publications, Inc., P.O. Box 1420, Clarksdale, Miss. 38614. Second class postage paid at Clarksdale, Miss., and additional mailing offices. POSTMASTER: Send Form 3579 to P.O. Box 1420, Clarksdale, Miss. 38614.

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Subscription Information: Implement & Tractor is edited for persons in the farm and industrial equipment industry who function in the areas of retail sales and service, distribution sales and service, marketing, engineering, financing, manufacturing and general management. Subscription prices: U.S. and Canada one year — $15, three years — $30. Single copies, $2, except Annual Statistical Number, $4; Product File issue, $5; Red Book issue, $5. Extra charge for service on back issues. Allow 6-8 weeks for change of address and new subscriptions.

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ISSN 0019-2953 $2.00 + 0.00

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Farm Press Publications, Inc.

Tractor Sales Took Big July Jump

Sales of two-wheel-drive tractors showed strong increases in July, according to the Farm & Industrial Equipment Institute's July flash report. Was it a matter of strong market upturn or just the return of heavy discounting? Some market observers say both forces were at work.

According to market observers, improved sales of tractors under 100 hp are a sign of real market demand. Used tractors in the 40-hp to 100-hp group have been selling very well at strong prices since early spring, and the demand is beginning to move into new tractor markets.

The leap in big tractor sales is said to be largely a matter of major manufacturers returning to the big discount practices of 1986 and earlier. Such cuts had largely disappeared by the first of 1987, and sales since then had been very sluggish.

One marketing executive told *I&T*: "We think everyone's going to have two or three goes at cutting out the discounts before it finally sticks."

Unit Retail Sales

	July			January-July		
Equipment	1987	1986	%	1987	1986	%
Farm Wheel Tractors:						
2-Wheel Drive						
Under 40 HP	5,446	4,846	12.4	39,462	40,445	(2.4)
40 & Under 100 HP	2,836	2,339	21.2	17,913	18,541	(3.4)
100 & Under 140 HP	293	163	79.8	1,941	3,403	(43.0)
140 HP & Over	713	286	149.3	3,702	6,331	(41.5)
Total 2-Wheel Drive	9,288	7,634	21.7	63,018	68,720	(8.3)
4-Wheel Drive						
Under 200 HP	21	59	(64.4)	282	344	(18.0)
200 HP & Over	69	123	(43.9)	490	787	(37.7)
Total 4-Wheel Drive	90	182	(50.5)	772	1,131	(31.7)
Total Farm Wheel Tractors	9,378	7,816	20.0	63,790	69,851	(8.7)
Combines (Self-Propelled)	749	774	(3.2)	1,747	2,539	(31.2)
Balers (Bales under 200 lbs)	958	1,117	(14.2)	3,702	3,721	(.5)
Forage Harvesters (Shear Bar Type)	199	262	(24.0)	1,096	904	21.2
Mower Conditioners	1,487	1,640	(9.3)	7,973	7,140	11.7

These data are, in part, estimates which are subject to revisions when final detail data become available. Because of the seasonal nature of the industry, comparisons of monthly data from one period to another should be done with extreme caution. These data represent most, but not all of the manufacturers in each product category being sold at retail in the 50 states and the District of Columbia.

Beware of Mismatched Implement Rims, Tires

Some tire dealers have mistakenly tried applying domestic implement tires to certain European wheels with unique diameter and width, according to Armstrong Tire Co.

According to Fred Fuest, Armstrong's consumer affairs manager, attempts to mount domestically produced tires on these wheels may cause the tire beads to break, possibly resulting in serious injury or death.

"The rims in question," he said, "are 15.3 inches in diameter and nine inches wide. Rims manufactured in 1981 and earlier are marked 15 inches but they are actually 15.3 inches. Later wheels are marked 15.3 inches. If one runs across a nine-inch rim, he should not try to use a 15-inch tire with it. The domestic industry does not manufacture a nine-inch rim width for farm implements."

European tire sizes that may be mounted on these rims are: 10.0/75-15.3; 10.5/80-15.3; 11.5/80-15.3; and 12.5/80-15.3.

For more information, contact Armstrong's consumer/dealer affairs department at 800-243-0167.

FIEI Plans Light Construction Unit Show

Demo Expo '88 will be a trade show for manufacturers and users of light and medium-sized construction equipment. It is slated for September 1988 at the Kentucky Fair & Exposition Center, Louisville, Ky., under the sponsorship of the Industrial & Construction Equipment Division of FIEI.

Case, Hesston Plan Joint Venture

J I Case Co. and Hesston Corp. have agreed in principle to form a joint venture to make hay and forage equipment at the Hesston facilities in Hesston, Kan. Ownership will be equal.

Subject to completion of documents by both firms, the resulting partnership is expected to begin operations in the fourth quarter of 1987.

The $40 million venture will consist primarily of the existing manufacturing facility and related equipment and offices of Hesston. Case IH and Hesston will each sell equipment manufactured by the joint venture under their own brand names.

Hesston Corp. currently has about 875 employees. If the joint venture is established, about 785 of the employees would become workers for the new entity. The remaining Hesston Corp. would be essentially a marketing organization. There has been no name announced for the planned venture.

Several years ago, International Harvester Co. sold most of its hay tool line to New Idea, now a subsidiary of Allied Products and in the process of becoming merged with White Farm Equipment, another Allied subsidiary. Since then, New Idea has supplied most of IH's and then Case IH's hay tool needs.

A Case IH spokesman told *I&T* that the company intends to maintain a business relationship with New Idea and has presented a proposal to that company.

Deere Names Stowe Senior Ag V.P.

David H. Stowe Jr. is new senior vice president for Deere&Co.'s worldwide agricultural equipment and consumer products division. Hans W. Becherer, who was named Deere's president and chief operating officer in February, had previously held the position.

Stowe had been senior vice-president, worldwide industrial equipment operations. Thomas A. Gildehaus, executive vice-president, has assumed those duties.